

*Canada-U.S. Free Trade Agreement*

economic disparity in Canada. That new frontier is to be found in the Free Trade Agreement, as will gradually be expressed in the removal of tariffs, elimination of quotas, phasing out of countervailing duties, anti-dumping laws and discriminatory regulations, and the improved process for settlement of disputes. In Atlantic Canada these will encourage and should lead to restoration of original north-south trading patterns and dramatically increased trade with the vast markets of the United States eastern seaboard.

• (1930)

Just imagine, Mr. Speaker, the opportunities to be contemplated in a market which is more than 20 times as large as the immediate domestic markets of the Maritimes themselves and which is less than 24 hours trucking distance away from any point in the Maritimes. For example, the population of Atlantic Canada is approximately 2.3 million people while the combined population of the northeastern United States, including the New York and Pennsylvania markets, amounts to 50 million people. These market population statistics are important to emphasize for the regions away from the centre of Canada, perhaps particularly for the Atlantic region.

While the U.S. market in total is 10 times larger than the Canadian domestic market, that differential is greatly magnified. In fact, it is doubled when applied to the U.S. markets which are reasonably accessible to the Atlantic region. Similar differentials exist with regard to the percentages of trade which are presently duty-free, and potentially duty-free.

While the amount of 80 per cent is frequently quoted as the proportion of all present trade between Canada and the U.S. now duty-free, and some people insist that that figure is really less than 75 per cent, it must be recognized that the percentage of duty-free trade in the Atlantic region is substantially less, perhaps no more than 60 per cent. Therefore the potential for growth by removing tariffs is proportionately much greater for the Atlantic region than is expressed by the Canadian average. In fact, these statistics of existing duty-free trade can be very misleading even on the national average. They tend to understate and underestimate the potential for increased trade which should result from the removal of existing duties over the next 10 years.

A recent special report from *The Financial Post* states that the amount of trade that is already tariff-free as a proportion of the trade we could have once all tariffs are gone is probably closer to 50 per cent or 60

per cent. That report suggests that the free trade deal gives us the potential for double the amount of tariff free trade than we have now—not merely 20 per cent more.

If that is the case for Canada on average then, again, just imagine, Mr. Speaker, the size of the potential for Atlantic Canada in terms of increased trade opportunities from our present base levels. Surely, I am not overstating the case to call free trade a new frontier on the economic horizon of Atlantic Canada.

Surely, also, it is not an overstatement to suggest that free trade truly offers a chance at long last to address creatively the chronic case of regional economic disparity in our country. For too long I believe we have reluctantly yet habitually accepted regional disparity in parts of Canada as a characteristic illness about which precious little could be done. To be sure, we have tried our best with special development programs to create economic growth in the Maritimes, for example, and we have met with both success and failure. However, we have not been able to do much more than moderate disparity, and up until now we have not been able to find a direction which might eventually eliminate disparity.

There are many reasons for this, but mainly we have never had adequate access to markets readily available for the products that we do manufacture, nor, more important, for the products we could manufacture from locations within Atlantic Canada. We have generally never been able really to contemplate a prospectus for economic equality because we have never been able to contemplate the reality of a market potential.

One of our most prominent and most successful New Brunswick industrialists has expressed the frustration for many Maritimers when he said recently, and I quote:

For as long as I have lived and for as long as any of us can remember, free trade with the United States has been a dream unfulfilled, an opportunity lost. It has cost Canadians dearly. It has cost us countless billions of dollars, it has cost us untold numbers of jobs, and it has cost us the chance to grow as a country—all because we have been denied access to that huge consumer market to the south. We have been cut off by unnatural trade barriers that have prevented us from even approaching our potential as a trading nation. We have been sent into a viciously competitive ring of international trade with one hand tied behind our back. And because of all this we have taken a beating.

For the first time in my own life there truly will be light at the end of the economic tunnel for Atlantic Canada. Now, for the first time since Confederation, a location for manufacture in New Brunswick or Nova Scotia could well be a market advantage and not a disadvantage as historically has been the case. The free